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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/674,720	11/06/2000	Robert J Briscoe	36-1385	5331

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EXAMINER

THAI, CANG G

ART UNIT	PAPER NUMBER
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3629

DATE MAILED: 11/30/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No. 09/674,720	Applicant(s) BRISCOE ET AL.	
	Examiner Cang G. Thai	Art Unit 3629	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on November 6, 2000.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-17 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-17 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☒ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☒ All b) ☐ Some * c) ☐ None of:
1. ☒ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date <u>November 6, 2000</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Information Disclosure Statement

1. The information disclosure statement (IDS) submitted on November 6, 2000.
The submission is in compliance with the provisions of 37 CFR 1.97. Accordingly, the examiner is considering the information disclosure statement.

Claim Rejections - 35 USC § 101

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-12, 13 and 17 are rejected under 35 U.S.C. 101 because the claim of invention is directed to non-statutory subject matter.

In order for the claimed invention to be statutory subject matter, the claimed invention must fall within one of the statutory classes of invention as set forth in USC § 101 (i.e. a process, machine, manufacture, or composition of matter which has practical application in the technological arts).

In the present case, Claims 1-12, 13, and 17 are directed to a method product for "operating a communications network", which is not within one of the classes of invention set forth in USC § 101.

The method product for "operating a communications network" including:

- a) automatically varying at a customer terminal,
- b) depending on network loading as detected at the customer terminal, and
- c) ~~a tariff for network usage by the customer terminal.~~

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In the above claim, it is merely an abstract idea and does not produce a useful, tangible, concrete results-which has practical application in the technological arts.

The method product for "operating a communications network" including the steps of (a)-(c) as shown are merely an abstract idea and does not reduce to a practical application in the technological arts (i.e. interaction in the steps with the computer/computer network or other equivalent means) and are therefore are found to be non-statutory. See *In re Alappat*, 33 F.3d at 1544, 31 USPQ2d at 1557, or *In re Waldbaum*, 173 USPQ 430 (CCPA 1972) or *In re Musgrave*, 167 USPQ (CCPA 1970) and *In re Johnston*, 183 USPQ 172.

Claim Rejections - 35 USC § 112

3. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter, which the applicant regards as his invention.

4. Claims 1-12, 13 and 17 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 1 recites the limitation of "communications network". The preamble mentions the term "communications network" which normally means a system of computers, terminals, and databases connected by communications lines", but there is no step of "databases connected" for the communications network. It is also not clear on step (a), step (b), and step (c). It appears that they should be related, but no positive language showing the relationship has been shown.

Claim Rejections - 35 USC § 102

5. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent.

The changes made to 35 U.S.C. 102(e) by the American Inventors Protection Act of 1999 (AIPA) and the Intellectual Property and High Technology Technical Amendments Act of 2002 do not apply when the reference is a U.S. patent resulting directly or indirectly from an international application filed before November 29, 2000. Therefore, the prior art date of the reference is determined under 35 U.S.C. 102(e) prior to the amendment by the AIPA (pre-AIPA 35 U.S.C. 102(e)).

Applicant submitted Preliminary Amendment on November 6, 2000 to amend Claims 6-9, 11-12, change Claim 14 to Claim 16 and change Claim 15 to Claim 17.

6. Claims 1-12, 13, 14, 15, 16, and 17 are rejected under 35 U.S.C. 102(e) as being anticipated by U.S. Patent No. 6,005,926 (MASHINSKY).

As for Claim 1, MASHINSKY discloses a method of operating a communications network, including:

- a) automatically varying at a customer terminal {See Column 2, Lines 39-40, wherein this reads over "automatically by a telecommunications node associated with the service requester." It appears that a customer terminal is required in order to operate the communications network.};
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- b) depending on network loading as detected at the customer terminal {See Column 4, Lines 3-6, wherein this reads over "called telephone is similarly connected to a local telephone network via a local loop or another connection, schematically represented by line." It appears that the communications network is depending on the network loading at the customer terminal to operate the communications network.}, and
- c) a tariff for network usage by the customer terminal {See Column 5, Lines 11-15, wherein this reads over "a carrier's-own-cost database (one for each carrier associated with the node), which stores information regarding the internal cost to a carrier to connect a call from potential originating locations to potential terminating locations"}.

As for Claim 2, MASHINSKY discloses detecting at the customer terminal a network performance parameter, which depends on network loading, and varying the tariff depending on the network performance parameter {See Column 2, Lines 19-22, wherein this reads over "the service providers submit information to a centralized server node which comprises cost and service parameter data for routing a communication from a first location to a second location"}.

As for Claim 3, MASHINSKY discloses the packet network and the network performance parameter is the number of packets lost in transmission between a data source and the customer terminal {See Column 2, Lines 27-30, wherein this reads over "sever may be programmed to substantially optimized its rate-table database with respect to one or more parameters, such as price, network utilization, return traffic

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volumes and others.” It appears that the packet network and the network performance parameter must be established in order to operate the communications network.}.

As for Claim 4, MASHINSKY discloses detecting a congestion signal at the customer terminal and varying the tariff in response to the congestion signal {See Column 2, Lines 40-43, wherein this reads over “node may be programmed to dynamically monitor current volume and sell or buy communication time or bandwidth on the basis of the actual and predicted requirements for connect time”}.

As for Claim 5, MASHINSKY discloses reading a congestion signal at the customer terminal from a data packet received at the customer terminal {See Column 2, Lines 63-65, wherein this reads over “switches can distinguish terminating traffic from transit traffic and set rates for transit traffic without invoking settlement agreement accounting rates”}. It appears that a system is programmed dynamically to read a congestion signal at the customer terminal from a data packet received at the customer terminal.

As for Claim 6, MASHINSKY discloses generating a congestion signal at the router in the network in response to the detection of congestion at the router {See Column 2, Lines 5-7, wherein this reads over “it would be desirable to provide a way for dynamic routing to response to rate changes so to pass the savings on to the consumer”}.

As for Claim 7, MASHINSKY discloses making a first relatively smaller increase in the tariff when congestion is first detected, and making at least one further, relatively larger increase, if the congestion persists {See Column 7, Lines 38-41, wherein this

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reads over "graduate pricing scale, the rate charge for connect time up to a certain capacity (e.g., 300k minutes/month) is different than the rate for connect time above that capacity"}.

As for Claim 8, MASHINSKY discloses programming a decision agent at the customer terminal with user-determined price criteria, and comparing a price calculated using the tariff with the price criteria {See Column 5, Lines 50-52, wherein this reads over "server nodes stores rate and possible routing information and determines cost-efficient routing paths for calls transmitted via the network"}.

As for Claim 9, MASHINSKY discloses distributing a tariff algorithm via the communications network to a plurality of terminals and calculating each terminal, using a tariff, a charge for network usage by the terminal {See Column 15, Lines 29-31, wherein this reads over "connection with node is provided with several databases which store information on the network cost, published cost, and global network cost for connecting calls to the called location."}

As for Claim 10, MASHINSKY discloses comprising steps, carried out by the network operator, of:

- d) intermittently sampling traffic between a customer terminal and the network, and as part of the sampling recording network loading affecting the customer terminal {See Column 20, Lines 18-20, wherein this reads over "utilization materially deviates from the desired utilization (test), the node proceeds to purchase or sell capacity for the next period accordingly}; and
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- e) for the sampled traffic comparing a charge calculated by the customer terminal and an expected charge and detecting thereby any discrepancy {See Column 5, Lines 49-52, wherein this reads over "server node stores rate and possible routing information and determines cost-efficient routing paths for calls transmitted via the network"}.

As for Claim 11, MASHINSKY discloses in which when a customer detects congestion in data transmitted to the customer terminal from a data source via the network, the customer terminal returns a congestion notification signal to the data source {See Column 5, Lines 49-52, wherein this reads over "server node stores rate and possible routing information and determines cost-efficient routing paths for calls transmitted via the network"}.

As for Claim 12, MASHINSKY discloses including at a customer terminal, selecting a period of time for which the tariff is to be fixed and paying a premium depending on the duration of the period {See Column 7, Lines 35-36, wherein this reads over " carriers to offer different prices for service at different times of the day and week"}.

As for Claim 13, MASHINSKY discloses a method of operating a communications network, including:

- f) applying to customer terminals a tariff for network usage {See Column 1, Lines 46-47, wherein this reads over "charges are ultimately passed on to rate payers." It appears that the customer terminals are responsible for the tariff for network usage.},.
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- g) varying the tariff with time {See Column 7, Lines 35, wherein this reads over "different prices for service at different times of the day and week"},
- h) at a customer terminal, selecting a period of time for which the tariff is to be fixed, and {See Column 7, Lines 45-48, wherein this reads over " purchases under 300K minutes per month, the carrier might charge 62.5 cents per minute for calls Monday through Friday 10 P.M. to 8 A.M. and Saturday and Sunday 12 noon to 6 P.M."}, and
- i) paying a premium depending on the duration of the period {See Column 7, Lines 48-51, wherein this reads over " purchases above 300K minutes per month, the carrier might charge 59.8 cents per minute for calls Monday through Friday 8 P.M. to 12 midnight, and Saturday and Sunday from 5 A.M. to 6 P.M."}.

As for Claim 14, MASHINSKY discloses a communications network including:

- j) means for detecting network loading locally at a customer terminal {See Column 4, Lines 3-6, wherein this reads over "called telephone is similarly connected to a local telephone network via a local loop or another connection, schematically represented by line"}; and
 - k) means responsive to the means for detecting arranged automatically to vary a tariff for network usage by the customer terminal {See Column 5, Lines 11-15, wherein this reads over "a carrier's-own-cost database (one for each carrier associated with the node), which stores information regarding the internal cost to a carrier to connect a call from potential originating locations to potential terminating locations"}.
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As for Claim 15, which have same limitations as in Claim 14, therefore, it is rejected for the similar reasons set forth in Claim 14.

As for Claim 16, which have same limitations as in Claim 14, therefore, it is rejected for the similar reasons set forth in Claim 14.

As for Claim 17, MASHINSKY discloses the tariff is varied only if the terminal fails to reduce its output in response to detected congestion {See Column 2, Lines 63-65, wherein this reads over "switches can distinguish terminating traffic from traffic and set rates for transit traffic without invoking settlement agreement accounting rates"}.

Conclusion

7. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

I. U.S. Patent:

- 1) U.S. Patent No. 6,542,588 (MASHINSKY) is cited to teach flexibility routing telecommunications,
- 2) U.S. Patent No. 5,067,149 (SCHNEID ET AL.) is cited to teach automatic control of the size of a network of remote attendants,
- 3) U.S. Patent No. 6,351,737 (WILLIAMS) is cited to teach the rate of consumptions from one or more values of metered consumption, and
- 4) U.S. Patent No. 6,714,979 (BRANDT ET AL.) is cited to teach data warehouse infrastructure for telecommunications priced call detail data integrated with a Web/Internet based reporting tool.

II. Foreign Patent:

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- 1) EP 0 917 336 A2 (GUMBRICK ET AL.) is cited to teach dynamic tariff comparison and selection system for determining the most favorable telecommunications service provider, and
- 2) DE 42 41 434 A1 (KEIL ET AL.) is cited to teach different tariffs according to a fixed pre-determined time division, e.g. in the form of duration of meter unit.

III. Non-Patent Literature:

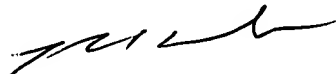
- 1) Johnson, Johna T., "Cisco Serves Up a Wealth of Functions", Data Communications, May 21, 1992, pages 41-42.
 - 2) Harrington, Stephen, "Price cuts and new lines to catch the customers", The Times, London (UK), November 17, 1997, pages 1-3.
 - 3) Anonymous, "Lucent delivers high-capacity optical networking equipment to increase bandwidth on NTT's network", Fiber Optic Weekly Update, Boston, June 5, 1998, Volume 18, Issue 23, pages 1-2.
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Any inquiry concerning this communication or earlier communications from the examiner should be directed to Cang G. Thai whose telephone number is (703) 305-0553. The examiner can normally be reached on 6:30 AM - 4:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Weiss can be reached on (703) 308-2702. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

CGT 11-22-2004


JOHN G. WEISS
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